



MARK PESTRELLA, Director

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**

"To Enrich Lives Through Effective and Caring Service"

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

November 12, 2019

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

32 November 12, 2019

CELIA ZAVALA
EXECUTIVE OFFICER

Dear Supervisors:

**CONSTRUCTION CONTRACT
PUBLIC BUILDINGS CORE SERVICE AREA
RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER
CONSOLIDATION PROJECT
APPROVAL OF CONSTRUCTION CHANGE ORDER
FOR SUPPORT SERVICES ANNEX BUILDING
CONTRACT PW 15176; SPECS. 7231; CAPITAL PROJECT NO. 87150
AUTHORIZE USE OF JOB ORDER CONTRACT 1912
(SUPERVISORIAL DISTRICT 4)
(4 VOTES)**

SUBJECT

Public Works is seeking Board approval to execute a change order with Kemp Bros. Construction, Inc., for unforeseen work related to the roofing replacement of the Support Services Annex Building Renovation, and authorize the use of Job Order Contracts to deliver make-ready, demolition, and other scope components for the Rancho Los Amigos National Rehabilitation Center Consolidation project.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions are within the scope of the environmental impacts analyzed in the previously certified Environmental Impact Report as amended by certified Addendum Nos. 1 and 2 for the Rancho Los Amigos National Rehabilitation Center Consolidation project.

2. Authorize the Director of Public Works or his designee to take all actions necessary to execute a change order with Kemp Bros. Construction, Inc., for unforeseen work associated with the roofing system replacement of the SSA Building Renovation project, Capital Project No. 87150, for a \$671,147 not-to-exceed amount.

3. Authorize the Director of Public Works or his designee to issue Job Order Contract work orders exceeding \$75,000 to New Creation Builders for make-ready work, demolition, and other scope components for the Rancho Los Amigos National Rehabilitation Center Consolidation project in the aggregate work order amount not to exceed the \$5,100,000 maximum amount of Job Order Contract 1912 previously approved by the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

This action will find that the proposed recommendations are within the previously approved Environmental Impact Report (EIR) and Addenda for the Rancho Los Amigos National Rehabilitation Center (RLANRC) Consolidation project; authorize a change order with Kemp Bros. Construction, Inc., for the unforeseen work related to the roofing replacement of the Support Services Annex (SSA) Building Renovation; and authorize the use of Job Order Contracts (JOCs) to deliver make-ready, demolition, and other scope components for the RLANRC Consolidation project.

Over the past several years, the Board approved various actions related to the consolidation of the RLANRC inpatient and outpatient services as a cost-effective means of satisfying the seismic retrofit requirements of Senate Bill 1953, consolidating services to optimize operational effectiveness, and to address concerns related to the aging buildings and infrastructure in the RLANRC North Campus.

The RLANRC Consolidation project includes the following project components: Seismic Retrofit and Inpatient Consolidation, New Outpatient Facilities, Don Knabe Wellness Center, SSA Building Renovation, Hospital Infrastructure, North Campus Infrastructure and Demolition, and Harriman Building Renovation.

SSA Building Roofing System Change Order

On January 16, 2018, the Board authorized Public Works to execute a construction contract for the SSA Building Renovation project.

On July 24, 2018, construction was executed with Kemp Bros. The base scope of work included installation of a new roofing system. During construction, Kemp Bros. encountered unforeseen conditions, including deterioration of supporting structural members, presence of moisture in the underlying substrate, and inaccurate as-built drawings. Additionally, during the demolition and removal of the existing roofing system, various conditions were exposed that required remediation prior to installation of the roofing. The existing deck including duct penetrations, utilities, and equipment were found to be unsupported in multiple locations and require structural supports. This proposed change order will revise the roofing scope with additional work to include the removal of existing light-weight concrete slab, provide additional insulation, roof drains, a new deck and structural supports needed for roofing installation, and temporary protection during construction to meet specified performance requirements of the new roofing system.

Public Works has reviewed the cost and recommend executing the proposed change order to the Kemp Bros. contract.

Use of Job Order Contract

Public Works is seeking authorization to issue JOC work orders to deliver make-ready construction activities, demolition of vacant buildings, reroute, capping, and removal of existing utilities, and other scope components such as procurement and installation of audio-visual equipment to complete the RLANRC Consolidation project.

Green Building/Sustainable Design Program

The RLANRC Consolidation project will comply with the Board's Green Building/Sustainable Design Program by obtaining a United States Green Building Council's Leadership in Energy and Environmental Design Silver Certification and will incorporate design and construction sustainable features to optimize energy and water use, enhance the sustainability of the site, improve indoor environmental quality, and maximize the use and reuse of sustainable and local resources. The project was established prior to the revisions to the Green Building/Sustainable Design Program implemented by the Board on December 20, 2016, requiring that new buildings 10,000 square feet or larger obtain a Leadership in Energy and Environmental Design Gold Certification.

Implementation of Strategic Plan Goals

The County Strategic Plan directs the provision of Strategy II.1, Drive Economic and Workforce Development in the County, Objective II.1.2, Support Small Businesses and Social Enterprises; and Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability. The recommended actions support the County Strategic Plan by providing a world-class healthcare facility for the community, which will benefit the common good by driving the development of the workforce and the economic development of the County.

FISCAL IMPACT/FINANCING

On January 16, 2018, the Board approved the revised total project budget in the amount of \$22,806,423 for the SSA Building Renovation project component. The approved budget included a construction budget of \$17,489,611 and change order contingency of \$1,371,776. On July 24, 2018, Public Works awarded a construction contract to Kemp Bros. for the SSA Building Renovation project component in a total lump sum amount of \$16,688,500.

The proposed change order for the reroofing, in the amount of \$671,147, is 4.02 percent of Kemp Bros.' original contract. To date, Kemp Bros.' original contract has increased by 5.10 percent for a total change order amount of \$850,641. Upon the Board's approval of the proposed change order, the total amount of change orders will increase to \$1,521,788, which is 9.12 percent of the original contract amount.

There is sufficient funding available in the SSA Building Renovation project budget to award the recommended change order. The total Board-approved budget of \$418,418,708 for the RLANRC Consolidation project remains unchanged. There is no impact to net County cost.

The SSA Building Renovation project component is being funded by the Department of Health Services. It is being financed initially with short-term notes through the Los Angeles County Capital Asset Lease Corporation Lease Revenue Note Program. The short term borrowing through the Note Program will eventually be refinanced through the issuance of long-term bonds, with the proceeds used to fund a redemption of the outstanding lease revenue notes and the remainder of the project costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A standard construction contract has been executed with Kemp Bros. that contains terms and conditions supporting the Board's ordinances and policies, including but not limited to, the County's Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN/GROW), Contract Language to Assist in Placement of Displaced County Workers, and Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service's Notice 1015).

Under Public Contract Code Section 20137, the Board may, on a 4-vote action, approve an individual change order that does not exceed 10 percent of the original contract amount.

In accordance with the Board's consolidated Local and Targeted Worker Hire Policy adopted on September 6, 2016, the project will require that at least 30 percent of the total California craft worker hours for construction of the project be performed by Local Residents and at least 10 percent be performed by Targeted Workers facing employment barriers.

ENVIRONMENTAL DOCUMENTATION

On April 7, 1992, the Board certified the scope of work for the seven project components included in the RLANRC Consolidation project as analyzed in an EIR, further certified in Addendums Nos. 1 and 2. The proposed change order for the SSA Building renovation project is within the scope of the previously certified and amended EIR.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Exemption with the Registrar Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current County services.

CONCLUSION

Please return one adopted copy of this Board letter to the Public Works, Project Management Division II.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Pestrella". The signature is fluid and cursive, with the first name "Mark" written in a larger, more prominent script than the last name "Pestrella".

MARK PESTRELLA
Director

MP:VY:cc

Enclosures

c: Auditor-Controller
Chief Executive Office (Capital Programs
Division)
County Counsel
Executive Office
Department of Health Services
Internal Services Department
Department of Public Social Services
(GAIN/GROW Program)

ENCLOSURE

CONSTRUCTION CONTRACT
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PROJECT SCHEDULE

Project Activity	Completion Date
Support Services Annex Building Renovation Project (C.P. 87150)	
Construction Bid and Award	07/24/2018
Construction	
Substantial Completion	11/27/2019
Project Acceptance	02/27/2020

PROGRAM BUDGET SUMMARY

Budget Category	Seismic Retrofit and Inpatient Consolidation (C.P. No. 69774)	New Outpatient Facilities (C.P. No. 69656)	Hospital Infrastructure (C.P. No. 69663)	Support Services Annex Building Renovation (C.P. No. 87150)	Harriman Building Renovation (C.P. No. 87175)	North Campus Infrastructure and Demolition (C.P. No. 69664)	Wellness Center (C.P. No. 69773)	All CPs
Construction								
Construction	\$ 110,470,911	\$ 90,064,665	\$ 35,085,059	\$ 17,192,537	\$ 30,746,329	\$ 32,204,432	\$ 12,088,669	\$ 327,852,602
Change Orders Contingency	\$ 7,473,926	\$ 2,528,438	\$ 1,138,317	\$ 1,668,850	\$ 2,672,960	\$ 3,130,567	\$ 178,401	\$ 18,791,459
Civic Arts	\$ 600,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Subtotal	\$ 118,544,837	\$ 92,993,103	\$ 36,223,376	\$ 18,861,387	\$ 33,419,289	\$ 35,334,999	\$ 12,267,070	\$ 347,644,061
Programming/Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plans and Specifications	\$ 4,318,000	\$ 1,082,000	\$ 2,936,000	\$ 1,781,580	\$ 3,968,420	\$ 2,588,000	\$ -	\$ 16,674,000
Consultant Services	\$ 12,727,846	\$ 6,749,837	\$ 2,533,528	\$ 1,102,382	\$ 3,320,437	\$ 2,833,527	\$ 93,534	\$ 29,361,091
Miscellaneous Expenditures	\$ 100,000	\$ 80,000	\$ 7,500	\$ 45,000	\$ 125,000	\$ 171,500	\$ 1,600	\$ 530,600
Jurisdictional Review/Plan Check/Permit	\$ 2,873,000	\$ 1,160,000	\$ 324,500	\$ 154,000	\$ 882,000	\$ 1,029,500	\$ 65,907	\$ 6,488,907
County Services	\$ 7,009,925	\$ 3,005,163	\$ 1,558,472	\$ 862,074	\$ 2,097,623	\$ 3,004,474	\$ 182,318	\$ 17,720,049
BUDGET TOTAL	\$ 145,573,608	\$ 105,070,103	\$ 43,583,376	\$ 22,806,423	\$ 43,812,769	\$ 44,962,000	\$ 12,610,429	\$ 418,418,708